



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0075	Title:	Statutorily appropriate bentonite tax proceeds
Primary Sponsor:	McChesney, Bill	Status:	Second Reading, As Amended

- ☒ Significant Local Gov Impact
 ☐ Needs to be included in HB 2
 ☐ Technical Concerns
☐ Included in the Executive Budget
 ☐ Significant Long-Term Impacts
 ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2007 Difference</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$709,124	\$1,419,446	\$1,417,234	\$1,293,519	\$1,176,728
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This legislation statutorily appropriates bentonite tax revenues that are already collected under current law. The expenditures are the appropriation to distribute the revenue to Carbon and Carter counties.

FISCAL ANALYSIS

Assumptions:

1. This legislation statutorily appropriates bentonite tax revenues that are currently collected. The bentonite tax bill, SB276, passed during the 2005 Legislative Session, did not include appropriation authority for the Department of Revenue to distribute the taxes as specified in statute. The expenditures shown in this fiscal note represent the distribution of the bentonite tax to counties.
2. The estimates in this fiscal note are based on a survey of the Bentonite producers in Montana completed by the OBPP during October of 2006.
3. The bentonite tax is distributed according to two different subsections of 15-39-110, MCA, subsection 2 and subsection 13 (subsection 12 in the proposed law). The percentage of the bentonite tax distributed to counties is 79.53% in CY 2005. The percentage of tax distributed to the counties changes each calendar

year until FY 2015, when 77.95% of the tax revenue is distributed to the counties. The revenue is distributed every 6 month, so each fiscal year includes the last half of one calendar year and the first half of the following calendar year.

4. Table 1 shows the percentage of bentonite tax going to the counties, the estimated total revenue for the bentonite tax, and the projected distribution to the counties in FY 2007 through FY 2011.

Table1. Bentonite Tax Revenue Distributed to Counties				
<u>Distribution Period</u>	<u>Percent to Counties</u>		<u>Total Revenue</u>	<u>Revenue to Counties</u>
Jan - June FY 2007	79.21%	x	\$ 895,200	= \$ 709,124
July - Dec FY 2008	79.21%	x	\$ 897,600	= \$ 711,025
Jan - June FY 2008	79.06%	x	\$ 896,100	= \$ 708,421
July - Dec FY 2009	79.06%	x	\$ 898,500	= \$ 710,318
Jan - June FY 2009	78.90%	x	\$ 895,988	= \$ 706,916
July - Dec FY 2010	78.90%	x	\$ 898,388	= \$ 708,810
Jan - June FY 2010	78.74%	x	\$ 742,583	= \$ 584,709
July - Dec FY 2011	78.74%	x	\$ 755,983	= \$ 595,261
Jan - June FY 2011	78.58%	x	\$ 739,950	= \$ 581,468

5. Total distributions to the counties by fiscal year are shown in Table 2. The distribution to Carbon and Carter counties is estimated to be \$709,124 in FY2007, \$1.419 million in FY 2008, \$1.417 million in FY 2009, \$1.294 million in FY 2010 and \$1.177 million in FY 2011.

Table 2. Fiscal Year Distribution to Counties	
<u>Fiscal Year</u>	<u>Revenue to Counties</u>
2007	\$709,124
2008	\$1,419,446
2009	\$1,417,234
2010	\$1,293,519
2011	\$1,176,728

	<u>FY 2007 Difference</u>	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>					
<u>Expenditures:</u>					
Transfers to Counties	\$709,124	\$1,419,446	\$1,417,234	\$1,293,519	\$1,176,728
TOTAL Expenditures	<u>\$709,124</u>	<u>\$1,419,446</u>	<u>\$1,417,234</u>	<u>\$1,293,519</u>	<u>\$1,176,728</u>
<u>Funding of Expenditures:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$709,124	\$1,419,446	\$1,417,234	\$1,293,519	\$1,176,728
TOTAL Funding of Exp.	<u>\$709,124</u>	<u>\$1,419,446</u>	<u>\$1,417,234</u>	<u>\$1,293,519</u>	<u>\$1,176,728</u>
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$709,124)	(\$1,419,446)	(\$1,417,234)	(\$1,293,519)	(\$1,176,728)

Effect on County or Other Local Revenues or Expenditures:

- Counties will receive an estimated \$709,124 in FY2007, \$1,419,446 in FY 2008, \$1,417,234 in FY 2009, \$1,293,519 in FY 2010, and \$1,179,728 in FY 2011.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date